



Arnold Schwarzenegger
Governor

April 20, 2010
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Mr. Robert Bloom, President
Workforce Investment Board of Solano County
320 Campus Lane
Fairfield, CA 94534

Dear Mr. Bloom:

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
SUMMER YOUTH PROGRAM
FINAL MONITORING REPORT
PROGRAM YEAR 2009

This is to inform you of the results of our review for Program Year (PY) 2009 monitoring review of the Workforce Investment Board of Solano County's (WIBSC) ARRA Summer Youth Program (SYP). This review was conducted by Mr. David Hinojosa and Ms. Rebeca Guerra from July 27, 2009, through July 31, 2009. Our review consisted of interviews with your staff and a review of the following items: expenditures charged to the ARRA SYP, oversight of your subrecipients, and procurement transactions. In addition, we interviewed service provider staff, SYP participants, and worksite supervisors, and focused on the following areas of your ARRA SYP: eligibility determination, program operations, participant worksites, participant payroll processing, and oversight.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WIBSC with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

This report includes the results of our review of sampled case files, the interviews conducted, WIBSC's response to Sections I and II of the ARRA SYP On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009.

We received your response to our draft report on November 19, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed the finding cited in the draft report, no further action is required and we consider the issue resolved.

BACKGROUND

The WIBSC allocated all of its \$1,567,481 ARRA Youth allocation to serve 415 summer youth program participants. As of August 31, 2009 WIBSC expended \$620,000 to serve 370 summer youth program participants.

ARRA SYP REVIEW RESULTS

While we concluded that, overall, WIBSC is meeting applicable ARRA requirements, we noted an instance of noncompliance in the area of participant payments. The finding that we identified in this area, our recommendation and the WIBSC's proposed resolution of the finding is specified below.

FINDING 1

Requirement: 29 CFR 97.20(b)(2) states, in part, that subgrantees must maintain records which adequately identify the source and application of funds for financially-assisted activities. Section (b)(6) requires that accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records.

OMB Circular A-87, Attachment B(8)(h)(5) states, in part, that personnel activity reports or equivalent documentation must reflect an after-the-fact distribution of the actual activity of each employee, they must be prepared at least monthly and must coincide with one or more pay periods, and they must be signed by the employee.

California Labor Code Section 510 states, in part, that any work in excess of eight hours in one workday shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.

Observation: We reviewed 30 case files of Youth Family Services and found 5 timesheet errors in which participants were not paid for the exact amount of time worked. Specifically, we found under- and over-payments. Additionally, two timesheets were lacking a supervisor or participant signature. Finally, the timesheets included unsigned edits.

Recommendation: We recommended that WIBSC review the timesheets for the summer youth participants, reconcile the timesheets to the payroll register, and make any necessary corrections. Once completed, we recommended that WIBSC provide documentation of its actions to the Compliance Review Office (CRO). Finally, we recommended that WIBSC provide CRO with a Corrective Action Plan (CAP) stating how it will ensure

that future timesheets will be properly reviewed for required signatures and reconciled to ensure that participants are paid accurately.

WIBSC Response: The WIBSC provided documentation demonstrating that corrections were made to timesheets and payroll registers for two participants and not the remaining three participants because they did not have these names. In response to the requested CAP, WIBSC provided revised work experience payroll procedures which include reviewing timesheets and payroll records for accuracy, participant and supervisor/approval signatures, and ensuring that edits are properly signed.

State Conclusion: The three participant names were not provided because documentation had already been provided during the on-site review. We consider this finding resolved.

Due to the short period of time the 2009 SYP is in operation the above corrective actions were requested in the exit conference in order that corrective action can be taken immediately. Thank you for the timely action taken on specific issues identified above.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is WIBSC's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain WIBSC's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Terri Austin, MIC 50
Jose Luis Marquez, MIC 50
Dathan O. Moore, MIC 50
Daniel Patterson, MIC 45